



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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S/001/056

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November 14, 2001

David L. Penney
Box 312
Beaver, Utah 84713

Re: Acceptance of Notice of Intention to Commence Small Mining Operations (S/001/056), and
Notice of Exploration File Closure, Lost Gems #1 Project, E/001/140, Beaver County, Utah

Dear Mr. Penney:

Thank you for your Notice of Intention to Commence Small Mining Operations received via facsimile on November 9, 2001. The proposed Lost Gems #1 Project is located in the N1/2 of the N1/2 of Section 22, T30S R14W, SLBM, Beaver County, Utah. This site was formerly permitted as an exploration project, file number E/001/140. This small mine notice will now effectively close the exploration project file #E/001/140. The permit application fee paid for the exploration project has been transferred to this small mining notice. The small mine application is considered complete and no additional information is required by the Division at this time. **You may commence with your mining operations as outlined, provided you have satisfied the requirements and received written acceptance from the Bureau of Land Management.**

In accordance with rule R647-3-105 regarding the project location, the areas to be disturbed should be plotted on a map in sufficient detail so that they can be located on the ground. **It is also required that the operator mark the proposed (5 acre or less) disturbed area boundary (including access/haul roads) in the field with metal T-Posts (or with some other marker of equal effectiveness). Markers must be appropriately spaced so that the next marker in either direction is clearly visible with the naked eye.**

The Utah Mined Land Reclamation Act of 1975 [40-8-7(1)] provides the authority for fee implementation which was approved by the Utah Legislature at its 1998 session. Commencing July 1, 1998, the fees are assessed to new and existing notices of intention, and annually thereafter. Small Mining Notices require a \$100.00 annual fee.

For your reference, I have enclosed copies of our summarized rules regarding "Operation and Reclamation Practices," and the statutory penalty for failure to reclaim a minesite (SMO-1). Please give special consideration to item #10 of the "Operation and Reclamation Practices. Stockpiling topsoil material prior to beginning your mining operation will help ensure successful revegetation efforts upon final reclamation of the minesite. If the area being mined is a solid rock outcrop, or if the land surface is

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very rocky, then soil stockpiling is probably not possible. However, even the first few inches of undeveloped material is worth saving to aid in later revegetation efforts, and future regulatory release from reclamation requirements.

Should you wish to expand your operation beyond the five (5) acre limitation, please notify this office as soon as possible to discuss the necessary permitting requirements. Approval of a large mining notice could take from six to twelve months or longer.

Thank you for your cooperation. When in the area, a member of the Division staff will examine the site. Best wishes with your mining operation.

Sincerely,

A handwritten signature in cursive script, appearing to read "Tom Munson", followed by a horizontal line.

Tom Munson
Senior Reclamation Specialist

jb
Enclosure: SMO-1 summary
cc: Ed Ginouves, BLM, Cedar City FO (UTU-78613?)
file number E/001/140
S01-56-apv.doc